

Memorandum



Date: May 24, 2013

To: Honorable Xavier L. Suarez
County Commissioner, District 7

From: Carlos A. Gimenez
Mayor 

Subject: Follow-Up Information on Aircraft Hull and Liability Insurance Program

As a follow-up to my April 19, 2013 memorandum regarding the County's Aircraft and Liability Insurance Program, you inquired as to the possibility of self-insuring the County-owned fleet of aircraft, and requested a copy of the claims history for this coverage. A copy of the claims history is attached, and the information below serves to address your inquiry.

We currently purchase commercial insurance for Miami-Dade Fire Rescue (four Air Rescue helicopters), Miami-Dade Police Department (four helicopters, two fixed-wing and one unmanned aerial aircraft), and for Public Works and Waste Management (one Mosquito Control helicopter). The aircraft fleet has an insured value of approximately \$39,000,000. The annual premium of approximately \$344,000 covers: 1) physical damage to the aircraft, 2) bodily injury and property damage liability up to \$15,000,000 to third parties arising out of the operations of the aircraft, and 3) chemical liability for the Mosquito Control helicopter. The deductibles vary per aircraft, from \$0 for the fixed wing aircraft to \$100,000 for the in-motion deductible for the Air Rescue fleet.

The costs of replacement parts and equipment for the County's aircraft fleet are expensive. For example, a single rotor blade for one Air Rescue Bell 412 helicopter costs in excess of \$100,000. It is also important to recognize that the County is required to comply with the numerous Federal Aviation Administration regulations regarding aircraft repair. These strict federal regulations often dictate how damages are to be addressed no matter how inconvenient or costly. Non-compliance with these regulations can result in a variety of hefty fines and the forfeiture of our license to operate.

It is in the best interest of the County to purchase this coverage given the risk and potential liability involved in the operation of the County's aircraft fleet.

If you have any questions or concerns, please feel free to contact Lester Sola, Internal Services Department Director, at 205-375-2363, or me directly.

c: Office of the Mayor Senior Staff
Jennifer Moon, Director, Office of Management and Budget
Lester Sola, Director, Internal Services Department
Charles Anderson, Commission Auditor



Global Aerospace -- Detail by Policy Year with Claimant Descr
 BOARD OF COUNTY COMMISSIONERS, DADE COUNTY-BOARD OF COUNTY COMMISSIONERS, MIAMI-DADE COUNTY

30-Apr-13 Claim Status Value As: 30-Apr-2013

Underwriting Year :2012											
Accident Date	Claimant No	Claimant Name	Other Claim Number	In Suit	Jur	Adjuster	Close Date	Paid Loss 100%	Paid Expense 100%	Outstanding 100%	Incurred 100%
02-Apr-12	656289-0001	N911FR				Kevin Twiss	20-Mar-13	0.00	0.00	0.00	0.00
		N911FR, 1999 BELL 412 - WHILE TAXIING, TAIL ROTOR STRUCK THE GROUND (\$100,000 DEDUCTIBLE)									
Total for policy											
								0.00	0.00	0.00	0.00

Underwriting Year :2001											
Accident Date	Claimant No	Claimant Name	Other Claim Number	In Suit	Jur	Adjuster	Close Date	Paid Loss 100%	Paid Expense 100%	Outstanding 100%	Incurred 100%
03-Jan-02	39257-0001	MIAMI-DADE COUNTY, BOAR				Glenn Galloway	28-May-02	0.00	1,466.91	0.00	1,466.91
		FIRE SUPPRESSION SYSTEM IN HANGAR, OCCUPIED BY INSURED'S 1973RAYTHEON KINGAIR, N14CP, INADVERTENTLY ACTIVATED SPRAYING FOAM ON INSURED'S AIRCRAFT									
Total for policy											
								0.00	1,466.91	0.00	1,466.91

Underwriting Year :1999											
Accident Date	Claimant No	Claimant Name	Other Claim Number	In Suit	Jur	Adjuster	Close Date	Paid Loss 100%	Paid Expense 100%	Outstanding 100%	Incurred 100%
12-Oct-99	41991-0001	SUNSET TRUCK AND VAN				Glenn Galloway	12-Jun-00	4,765.00	0.00	0.00	4,765.00
		ROTORWASH FROM INSURED HELICOPTER DAMAGED CLAIMANT'S CAAMPER TOPS									
Total for policy											
								4,765.00	0.00	0.00	4,765.00